EXHIBIT C

VERBATIM REPRODUCTION OF SELECT MATERIALLY FALSE AND MISLEADING STATEMENTS AND OMISSIONS ALLEGED IN FIRST AMENDED COMPLAINT ("FAC") AND CITED IN PLAINTIFFS' OPPOSITION TO DEFENDANTS' MOTION TO DISMISS[1]

PUBLIC STATEMENTS IN AUGUST 2023 RENDERED FALSE AND MISLEADING BY NONDISCLOSURE OF THE JULY 2023 DMHC ORDER (¶¶207-11)	WHY THE NONDISCLOSURE OF THE JULY 2023 DMHC ORDER RENDERED PUBLIC STATEMENTS IN AUGUST 2023 MATERIALLY FALSE AND MISLEADING (¶212)
¶207: The Q2 2023 Release stated in relevant part: Net loss for the second quarter ended June 30, 2023 was ($42 million) (($0.07) per diluted share) compared to net income of $190 million ($0.32 per diluted share) in the year earlier period. Included in 2023 second quarter net loss is the . . . recognition of $68 million of 2023 previously unrecorded but contractually owed rent and interest revenue ***from the receipt of equity in PHP Holdings LLC ("PHP")***. NFFO for the second quarter ended June 30, 2023 was $285 million ($0.48 per diluted share) compared to $275 million ($0.46 per diluted share) in the year earlier period. Included in 2023 second quarter NFFO is roughly $68 million ($0.11 per diluted share) ***from the receipt of equity in PHP in lieu of cash for 2023 previously unrecorded but contractually owed rent and interest revenue from Prospect Medical Holdings, Inc. ("Prospect")***. In accordance with accounting requirements, the value of MPT's investment in PHP was established at roughly $655 million based on estimates from multiple independent third parties and	**¶212**: The bolded and italicized portions in each of the statements in paragraphs 207-211 above appearing in the Q2 2023 Release or the Q2 2023 Form 10-Q, or made during the Q2 2023 Call, were misleading "half-truths." Specifically, the bolded and italicized portions in each of the statements above advised MPW investors that (i) MPW had received an equity interest in PHP Holdings pursuant to the Restructuring Transactions, (ii) such equity interest had purportedly increased in value by $82 million to $655 million since May 23, 2023, resulting in the recognition of $68 million in "revenue" in Q2 2023, or (iii) such equity interest would eventually be monetized. Those statements, however, were rendered misleading by the omission of critical qualifying information concerning pending regulatory action by the DMHC posing a substantial risk to the validity of that equity interest, i.e., that (i) on June 23, 2023, Prospect had submitted the June 2023 NMM seeking approval the Minority Interest Transaction under Section 1399.65 in response to the DMHC's unexpected request to process review and approval of the Minority Interest Transaction as a notice of material modification;

[1] All bolding is as per the FAC.

the application of an appropriate marketability discount. The Company is narrowing its 2023 calendar estimate of per share net income to $0.33 to $0.37 to account for second quarter results and is also narrowing its estimate of per share NFFO to $1.53 to $1.57. The ranges include Prospect-related income from the expected resumption of partial California rental payments, ***recognition of the PHP equity value received in the second quarter*** and other amounts. --------------------------------- **<u>¶208</u>**: During the Q2 2023 Call, Defendant Aldag advised analysts that the "managed care business continues to be profitable and on track to meet revenue and EBITDA targets and timelines. ***They are still planning for a monetization event of the managed care business in 2024***." ---------------------------------- **<u>¶209</u>**: Later during the Q2 2023 Call, Hamner advised that MPW "***recognized about $68 million in Prospect rent and interest. This is based on the previously disclosed Prospect recapitalization transactions that included our exchange of certain real estate and other assets for [an equity] interest in Prospect's managed care business***." Hamner then explained how the $82 million "increase" in the value of the "equity interest" issued to MPW in connection with the Restructuring Transactions enabled MPW to recognize the $68 million in Q2 2023 Prospect Gain: In brief summary, ***you will recall our May 23rd announcement that as of the end of the first quarter, we carried these assets at approximately $573 million***.	and (ii) on July 20, 2023, the DMHC had issued the July 2023 DMHC Order, which postponed the effectiveness and prohibited the implementation of the Minority Interest Transaction pending the DMHC's fulsome review of the circumstances of the Minority Interest Transaction. Disclosure of the June 2023 NMM and the July 2023 DMHC Order that MPW held back would have significantly altered the total mix of information for MPW investors by making them aware of pending regulatory action by the DMHC posing a substantial risk to the validity of the equity interest in PHP Holdings issued to MPW, i.e., that the DMHC might subject approval of the Minority Interest Transaction to onerous conditions, or not approve the Minority Interest Transaction altogether, which would derail the Restructuring Transactions by invalidating the issuance of equity in PHP Holdings to MPW under the Restructuring Agreement (which was the central premise of the Restructuring Transactions).

After obtaining updated valuations and an appraisal to determine marketability discounts, ***the estimated value of our interest in managed care as of the May closing was approximately $655 million***. That's in addition to our roughly $515 million of leased California hospitals and $355 million of cash that we expect to collect from the sale to Yale of our Connecticut hospitals. ***Accordingly, we recognized in the second quarter the rent and interest that would have been collected in 2023 through the May closing date***. ----------------------------------- **<u>¶210</u>**: Subsequently, during Q&A, an analyst asked why MPW had not revised its NFFO guidance in connection with the announcement of the Restructuring Transactions in May 2023, if such transactions purportedly gave rise to a gain. Hamner responded in relevant part: [T]he transaction happened on May 23rd and as I tried to point out earlier, we had multiple validations, multiple independent third parties who took different perspectives on the value of the managed care business. It's a private company. It's not uncomplicated that what Prospect has done is to extract various different operations and subsidiaries from across the Prospect ownership and put it into a single operating company and measure that and then provide that information to the appraisers and so forth, such that. ***We only got something that the auditors were able to look at and we were confident in the $655 million value. That didn't happen on May 23rd. It didn't happen for six-plus weeks afterwards . . . [W]e just simply didn't have the information until more recently***.	

¶211: The Q2 2023 Form 10-Q stated in relevant part: On May 23, 2023, Prospect completed its recapitalization plan, which included receiving $375 million in new financing from several lenders. Along with this new debt capital from third party lenders, we agreed to the following restructuring of our $1.7 billion investment in Prospect including . . . e) ***obtain[ing] a non-controlling ownership interest in PHP Holdings of approximately $654 million***, after applying a discount for lack of marketability, ***consisting of an approximate $68 million equity investment and $586 million loan convertible into equity of PHP Holdings*** . . . This non-controlling ownership interest [valued at $654 million] was received in exchange for unpaid rent and interest through December 2022, ***previously unrecorded rent and interest revenue in 2023 totaling approximately $68 million***, our $151 million mortgage loan on a California property, our $112.9 million term loan, and other obligations at the time of such investment.	

GAAP-BASED MISSTATEMENTS	WHY THE GAAP-BASED MISSTATEMENTS WERE MATERIALLY FALSE AND MISLEADING
¶213: The Q2 2023 Press Release stated in relevant part: NFFO for the second quarter ended June 30, 2023 was $285 million ($0.48 per diluted share) compared to $275 million ($0.46 per diluted share) in the year earlier period. ***Included in 2023 second quarter NFFO is roughly $68 million ($0.11 per diluted share) from the receipt of equity in PHP in lieu of cash for 2023 previously unrecorded but contractually owed rent and interest revenue from Prospect Medical Holdings, Inc. ("Prospect")***. In accordance with accounting requirements, the value of MPW's investment in PHP was established at roughly $655 million based on estimates from multiple independent third parties and the application of an appropriate marketability discount. The Company is narrowing its 2023 calendar estimate of per share net income to $0.33 to $0.37 to account for second quarter results and is also narrowing its estimate of per share NFFO to $1.53 to $1.57. The ranges include Prospect-related income from the expected resumption of partial California rental payments, ***recognition of the PHP equity value received in the second quarter*** and other amounts. The estimates are based on an existing portfolio which includes the impact of binding disposition and leasing transactions and excludes expected future contributions from development and other capital projects.	**¶214**: The bolded and italicized statements in the Q2 2023 Release in the preceding paragraph that (i) ***"[i]ncluded in 2023 second quarter NFFO is roughly $68 million . . . from the receipt of equity in PHP in lieu of cash for 2023 previously unrecorded but contractually owed rent and interest revenue***" from Prospect," and (ii) estimated NFFO of $1.53 to $1.57 per share for 2023 included "***recognition of the PHP equity value received in the second quarter***" ("Q2 2023 Release Statements"), were materially false and misleading because they violated GAAP. Specifically, (i) the risk that the DMHC might not approve the Minority Interest Transaction was a regulatory risk of which Defendants would have become aware no later than June 20, 2023 (due to the Three Business Day NMM Review Requirement); and (ii) the subsequent issuance of the July 2023 DMHC Order (which postponed the effectiveness and prohibited the implementation of the Minority Interest Transaction) provided additional evidence concerning that regulatory risk. In turn, the existence of that regulatory risk made any gain from the Minority Interest Transaction subject to a "contingency" (i.e., uncertainly concerning whether the DMHC would approve the Minority Interest Transaction) no later than June 23, 2023, which "contingency" was confirmed by a Type 1 subsequent event (i.e., the July 2023 DMHC Order). Because of that contingency, GAAP (specifically ASC 450-30-25-1 and ASC 855-10-25-1) prohibited MPW from recognizing as revenue any gain in Q2 2023 from MPW's receipt of equity in PHP Holdings under the Restructuring Agreement until the contingency was resolved (since an unfavorable resolution would have invalidated the issuance of equity to MPW under the

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	Restructuring Agreement). Nevertheless, while the contingency remained unresolved, MPW violated GAAP by prematurely recognizing the $68 million Q2 2023 Prospect Gain as revenue in Q2 2023 on account of its receipt of equity in PHP Holdings under the Restructuring Agreement. Under the SEC's regulations (17 C.F.R § 210.4-01(a)(1)), financial statements filed with the SEC that are not prepared in accordance with GAAP are "***presumed*** to be misleading or inaccurate." **¶215**: The Q2 2023 Release Statements were also materially false and misleading because they violated MPW's internal accounting policy providing that calculation of NFFO should exclude any gain from non-core events in order to avoid making "comparison to prior period results and market expectations ***less meaningful to investors and analysts***." Nevertheless, even though the $68 million Q2 2023 Prospect Gain derived from a concededly non-core event (i.e., the Restructuring Transactions), MPW did not exclude the $68 million Q2 2023 Prospect Gain from the calculation of NFFO for Q2 2023, thus concededly misleading MPW investors concerning the magnitude of NFFO for Q2 2023. As noted above, for this reason, Hedgeye added back the $68 million when calculating FFO-related metrics.

GAAP-BASED MISSTATEMENTS	WHY THE GAAP-BASED MISSTATEMENTS WERE MATERIALLY FALSE AND MISLEADING
<u>¶216</u>: On August 8, 2023, MPW conducted the Q2 2023 Call to discuss Q2 2023 results. On that call, Defendant Hamner stated in relevant part: ***[W]e recognized about $68 million in Prospect rent and interest. This is based on the previously disclosed Prospect recapitalization transactions that included our exchange of certain real estate and other assets for [an] interest in Prospects managed care business***. In brief summary, you will recall our May 23rd announcement that as of the end of the first quarter, we carried these assets at approximately $573 million. After obtaining updated valuations and an appraisal to determine marketability discounts, the estimated value of our interest in managed care as of the May closing was approximately $655 million. That's in addition to our roughly $515 million of leased California hospitals and $355 million of cash that we expect to collect from the sale to Yale of our Connecticut hospitals. ***Accordingly, we recognized in the second quarter the rent and interest that would have been collected in 2023 through the May closing date***.	**<u>¶217</u>**: The bolded and italicized statements made by Hamner during the Q2 2023 Call in the preceding paragraph that (i) "***we recognized about $68 million in Prospect rent and interest . . . based on the previously disclosed Prospect recapitalization transactions that included our exchange of certain real estate and other assets for interest in Prospects managed care business***" and (ii) "***we recognized in the second quarter the rent and interest that would have been collected in 2023 through the May closing date***" ("Q2 2023 Call Statements") were materially false and misleading because they violated GAAP. Specifically, (i) the risk that the DMHC might not approve the Minority Interest Transaction was a regulatory risk of which Defendants would have become aware no later than June 20, 2023 (due to the Three Business Day NMM Review Requirement); and (ii) the subsequent issuance of the July 2023 DMHC Order (which postponed the effectiveness and prohibited the implementation of the Minority Interest Transaction) provided additional evidence concerning that regulatory risk. In turn, the existence of that regulatory risk made any gain from the Minority Interest Transaction subject to a "contingency" (i.e., uncertainly concerning whether the DMHC would approve the Minority Interest Transaction) no later than June 23, 2023, which "contingency" was confirmed by a Type 1 subsequent event (i.e., the July 2023 DMHC Order). Because of that contingency, GAAP (specifically ASC 450-30-25-1 and ASC 855-10-25-1) prohibited MPW from recognizing as revenue any gain in Q2 2023 from MPW's receipt of equity in PHP Holdings under the Restructuring Agreement until the contingency was resolved (since an unfavorable resolution would

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	have invalidated the issuance of equity to MPW under the Restructuring Agreement). Nevertheless, while the contingency remained unresolved, MPW violated GAAP by prematurely recognizing the $68 million Q2 2023 Prospect Gain as revenue in Q2 2023 on account of its receipt of equity in PHP Holdings under the Restructuring Agreement. Under the SEC's regulations (17 C.F.R § 210.4-01(a)(1)), financial statements filed with the SEC that are not prepared in accordance with GAAP are "***presumed*** to be misleading or inaccurate."
¶¶218-19: On August 9, 2023, MPW filed the Q2 2023 Form 10-Q with the SEC reporting its financial and operational results for Q2 2023 ending on June 30, 2023. That filing stated, in relevant part: On May 23, 2023, Prospect completed its recapitalization plan, which included receiving $375 million in new financing from several lenders. Along with this new debt capital from third party lenders, we agreed to the following restructuring of our $1.7 billion investment in Prospect including . . . ***e) obtain[ing] a non-controlling ownership interest in PHP Holdings of approximately $654 million, after applying a discount for lack of marketability, consisting of an approximate $68 million equity investment and $586 million loan convertible into equity of PHP Holdings . . . This non-controlling ownership interest [valued at $654 million] was received in exchange for*** unpaid rent and interest through December 2022, ***previously unrecorded***	**¶220**: The (i) bolded and italicized statement made in the Q2 2023 Form 10-Q in paragraph 218 above that ***"[t]his non-controlling ownership interest was received in exchange for . . . previously unrecorded rent and interest revenue in 2023 totaling approximately $68 million*** " ("Q2 2023 Form 10-Q Statement"), and (ii) income statement in paragraph 219 above with the $68 million Q2 2023 Prospect Gain included in "income from financing leases" and "interest and other income," were materially false and misleading because they violated GAAP. Specifically, (i) the risk that the DMHC might not approve the Minority Interest Transaction was a regulatory risk of which Defendants would have become aware no later than June 20, 2023 (due to the Three Business Day NMM Review Requirement); and (ii) the subsequent issuance of the July 2023 DMHC Order (which postponed the effectiveness and prohibited the implementation of the Minority Interest Transaction) provided additional evidence concerning that regulatory risk. In turn, the existence of that regulatory risk made any gain from the Minority Interest Transaction subject to a "contingency" (i.e., uncertainly

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rent and interest revenue in 2023 totaling approximately $68 million, our $151 million mortgage loan on a California property, our $112.9 million term loan, and other obligations at the time of such investment. The recognition of the $68 million Q2 2023 Prospect Gain as revenue was incorporated into the "Revenues" section of MPW's income statement for Q2 2023 under "Income from financing leases" and "Interest and other income *[see graphic in FAC]*	concerning whether the DMHC would approve the Minority Interest Transaction) no later than June 23, 2023, which "contingency" was confirmed by a Type 1 subsequent event (i.e., the July 2023 DMHC Order). Because of that contingency, GAAP (specifically ASC 450-30-25-1 and ASC 855-10-25-1) prohibited MPW from recognizing as revenue any gain in Q2 2023 from MPW's receipt of equity in PHP Holdings under the Restructuring Agreement until the contingency was resolved (since an unfavorable resolution would have invalidated the issuance of equity to MPW under the Restructuring Agreement). Nevertheless, while the contingency remained unresolved, MPW violated GAAP by prematurely recognizing the $68 million Q2 2023 Prospect Gain as revenue in Q2 2023 on account of its receipt of equity in PHP Holdings under the Restructuring Agreement. Under the SEC's regulations (17 C.F.R § 210.4-01(a)(1)), financial statements filed with the SEC that are not prepared in accordance with GAAP are "***presumed*** to be misleading or inaccurate."